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THE PROVINCE OF ALBERTA

GAS RESOURCES PRESERVATION ACT

ENERGY RESOURCES CONSERVATION BOARD

IN THE MATTER of a permit to
Metro Gaz Marketing, inc.
authorizing the removal of gas
from the Province

PERMIT NO. GR 87-190

WHEREAS the Energy Resources Conservation Board is of the opinion that the granting of the application by Metro Gaz Marketing, inc. for the removal of gas from the Province is in the public interest, and the Minister of Energy has given his approval hereto attached.

THEREFORE, the Energy Resources Conservation Board, pursuant to the Gas Resources Preservation Act, being chapter G-3.1 of the Statutes of Alberta, 1984, hereby orders as follows:

1. The application of Metro Gaz Marketing, inc. (hereinafter called "the Permittee") for removal of gas from the Province, is approved, subject to the terms and conditions herein contained.

2. Gas shall be removed from the Province pursuant to this permit in accordance with Application No. 871412 by the Permittee, dated 16 September 1987, as amended by letter from the Permittee, dated 22 September 1987.

3. This permit shall be operative for a term ending 31 October 1989.

4. The quantity of gas that may be removed from the Province pursuant to this permit shall not exceed 10 000 000 cubic metres.

5. The Permittee shall remove or cause to be removed only such gas as is transported on behalf of the Permittee through Section 9 of Township 20, Range 1, West of the 4th Meridian, for delivery from the facilities of NOVA, AN ALBERTA CORPORATION to the pipelines of TransCanada PipeLines Limited.

6. (1) All gas removed from the Province pursuant to this permit shall be measured by or on behalf of the Permittee by meters approved by the Board.

(2) The relative density, higher heating value and volume of all gas received by the Permittee through the facilities referred to in clause 5 shall be measured and reported in a manner approved by the Board, by or on behalf of the Permittee, at or near the points at which gas is delivered by the said facilities.

7. All quantities of gas for the purpose of this permit shall be referred to a 101.325 kilopascal pressure base and a 15° Celsius temperature base.

8. The Permittee shall supply gas from the pipeline of NOVA, AN ALBERTA CORPORATION at a reasonable price to any community or consumer within the Province, or to any public utility requiring gas for such community or consumer that is willing to take delivery of gas at a point on the pipeline transmitting the gas, and that, in the opinion of the Board, can reasonably be so supplied by the Permittee.

9. If any community, consumer or public utility is willing to take delivery of gas pursuant to clause 8 and agreement on the price to be paid for the gas cannot be reached, the price to be paid shall be determined by the Public Utilities Board on the application of an interested party, and the part of the price attributable to transportation shall be based on the assumption that the gas has been supplied from the capable source or sources available to the Permittee nearest to the point of delivery.

10. This permit shall expire on 7 February 1988 if no gas has been removed from the Province pursuant to this permit before 7 February 1988 unless, upon application by the Permittee, a later date is stipulated by the Board.

11. (1) Attached hereto as Appendix A to this permit is the Ministerial Approval of the Minister of Energy authorizing the granting of this permit.

(2) This permit is subject to the terms and conditions prescribed by the order of the Minister of Energy set out in Appendix A.

MADE at the City of Calgary, in the Province of Alberta, this 9th day of November, 1987.

ENERGY RESOURCES CONSERVATION BOARD

F. J. Mink
Board Member

APPENDIX A TO PERMIT NO. GR 87-190

GAS RESOURCES PRESERVATION ACT

DEPARTMENT OF ENERGY

Ministerial Approval

Edmonton, Alberta

OCT 28, 1987

Pursuant to section 6 of the Gas Resources Preservation Act, I, the undersigned, Minister of Energy for the Province of Alberta, approve the granting by the Energy Resources Conservation Board of Permit No. GR 87-190 to Metro Gaz Marketing, inc. (hereinafter called "the Permittee"), subject to the following terms and conditions:

1(1) In these terms and conditions,

(a) "buy-sell transaction" means a contract or arrangement between an and user of gas removed from Alberta pursuant to the permit and a distributor under which

(i) the end user sells gas to the distributor for delivery at a point upstream from the place where the gas will be consumed or used by the end user, and

(ii) the distributor sells to the end user an equal quantity of gas for delivery at or near the place where the gas will be consumed or used by the end user;

(b) "distributor" means a person who carries on business as a distributor of gas;

(c) "downstream arrangements", in relation to gas removed or to be removed from Alberta pursuant to the permit, means

(i) downstream contracts relating to the gas, and

(ii) end use arrangements relating to the gas;

(d) "downstream contract" means a contract under which gas is sold or otherwise disposed of for delivery outside Alberta and includes an agreement that amends or varies that contract, but does not include a buy-sell transaction;

(e) "end use arrangement" means an existing or proposed arrangement under which gas is or is to be consumed or used outside Alberta by an end user, and includes a buy-sell transaction relating to that gas;

(f) "end user", in relation to gas removed or to be removed from Alberta pursuant to the permit, means a person who consumes or uses, or will consume or use, the gas at a place outside Alberta;

(g) "filed downstream arrangements" means

(i) the downstream arrangements respecting the gas removed or to be removed from Alberta pursuant to the permit as described in the information respecting those downstream arrangements filed with the Minister by the Permittee in connection with the application for the approval of the granting of the permit by the Minister, or

(ii) information filed with the Minister by the Permittee pursuant to section 3(1) of these terms and conditions,

subject to any change in those downstream arrangements in respect of which there has been compliance with section 2 of these terms and conditions.

(2) A reference in a provision of these terms and conditions to "adequate information" means information that is adequate in the opinion of the Minister for the purpose of that provision.

(3) For the purpose of these terms and conditions, information shall be considered as being filed with the Minister if the Minister or an employee of the Department of Energy

(a) has given a written acknowledgement of the filing to the Permittee, and

(b) has furnished to the permittee copies of that information.

2(1) Gas shall not be removed from Alberta pursuant to the permit under downstream arrangements different from the filed downstream arrangements relating to the permit unless

(a) adequate information has been filed with the Minister respecting the change in the filed downstream arrangements, and

(b) the Minister has given his written consent to the removal of the gas from Alberta under the changed downstream arrangements prior to the effective date of the change as described in the information filed under clause (a).

(2) For the purpose of subsection (1), a change in filed downstream arrangements includes, without limitation,

(a) entering into a downstream contract or making an end use arrangement that was not previously part of the filed downstream arrangements, and

(b) an amendment or variation of a downstream contract that changes or affects the filed downstream arrangements respecting that downstream contract,

but does not include the termination or discharge of a downstream contract that was previously part of the filed downstream arrangements or the cessation of an end use arrangement that was previously part of the filed downstream arrangements.

3(1) The Permittee will, on being requested to do so by the Minister by a notice in writing, furnish to or file with the Minister, within the time prescribed by the notice, any information described in the notice and relating to the gas removed or to be removed from Alberta pursuant to the permit.

(2) The Minister may require that any information furnished to or filed with him pursuant to these terms and conditions be verified in any manner the Minister directs.

4(1) Gas shall not be removed from Alberta pursuant to the permit for sale and delivery to a distributor in Canada if the distributor, under any contract in effect on October 31, 1985 and under which the distributor is the buyer, takes delivery, on a daily basis, of less than

(a) the maximum quantity of gas that the distributor is entitled to take delivery of under the contract, as that maximum stood under the contract on October 31, 1985, or

(b) any lesser quantity consented to in writing by the Minister.

(2) For the purposes of this section, a corporation is a distributor if

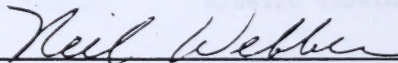
(a) the corporation carries on business as a distributor of gas in Canada, and

(b) the corporation, or a predecessor of the corporation, was carrying on business as a distributor of gas in Canada on October 31, 1985.

(3) Subsection (1) does not apply to gas sold and delivered to a distributor under a buy-sell transaction.

5(1) Gas shall not be removed from Alberta pursuant to the permit for eventual delivery to an end user for consumption or use within Canada if the gas must be transported by a pipeline under provincial jurisdiction and contract carriage is not available in respect of the transportation of the gas by that pipeline.

(2) For the purposes of subsection (1), contract carriage is available in respect of the transportation of gas by a pipeline under jurisdiction of a province if the Minister of Energy is satisfied that, under the law of the province, the owner of the gas has the option of having his gas delivered by the pipeline either by agreement with the pipeline operator or under an order of the appropriate regulatory agency of the province, subject to the pipeline having sufficient capacity to transport the gas.



Minister of Energy

